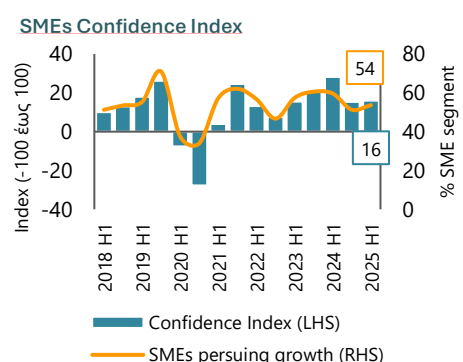


International uncertainty is testing the resilience of Greek entrepreneurship

With global uncertainty reaching historically high levels of intensity and duration, the pressing question arises as to how much it affects the growth plans of businesses and how it tests their resilience. This is the question the Economic Analysis Division of the National Bank of Greece (NBG) sought to answer in its regular survey of Greek SMEs, arriving at a somewhat unexpected conclusion: The unprecedentedly intense international volatility of the current period is not reflected in a corresponding disruptive impact on the operating figures of Greek businesses. Strong defenses of SMEs appear to stem from a combination of (i) their high resilience built through the experience of successive crises, and (ii) a relatively low sensitivity to this particular type of trade disruption.

The SME Confidence Index remained unchanged, with the share of businesses aiming for growth showing a slight recovery.

Starting with the crucial parameter of the business climate, it is observed that the expectations of Greek



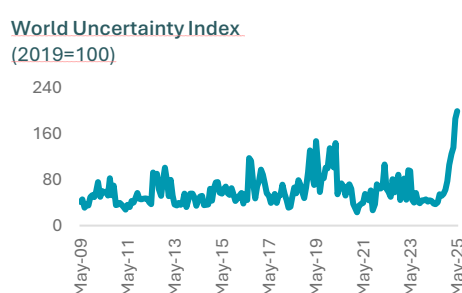
The index corresponds to the net balance of responses, ranging from decrease (-100), stability (0), to increase (+100) in expectations for businesses with a turnover of up to €10 million.

Source: NBG SME survey

businesses, despite the high uncertainty, remained unchanged during the first half of the year. Specifically, the relevant Confidence Index monitored by NBG stayed close to the level of the previous semester (16 points), significantly higher than the average of the past decade (7 points). At the same time, the majority of the sector actively pursues growth, showing a slight increase compared to the previous semester (from 51% to 54% of SMEs).

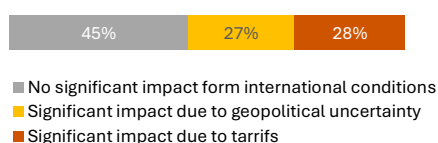
Delving into the results by turnover class, the structurally high resilience of medium-sized enterprises compared to smaller ones is confirmed, as they show: i) an increasing Confidence Index (as opposed to a marginal decline for the rest of the SMEs), and ii) a

consistently stronger orientation toward growth objectives and plans.



Sources: Economist Intelligence Unit, NBG Estimates

World uncertainty impact*
(% SME segment)



*Responses covers the ongoing tensions in Ukraine and the Middle East, with the exception of the recent Israel-Iran tension.

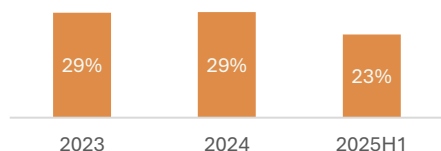
Source: NBG SME survey

The historically high uncertainty is not being reflected with corresponding intensity in the operating figures of businesses.

Further examining the current situation, we observe that the World Uncertainty Index during the first five months of 2025—particularly following the U.S. tariff announcements on April 2nd—recorded values more than three times higher than the average of the past decade, even surpassing the levels seen during crises such as the pandemic or the 2008 financial crisis. The deterioration in global uncertainty conditions is confirmed by 55% of the SME segment, with half of them attributing it directly to aggressive tariff policies and the other half to geopolitical risks.

Given this context, the critical question is how the overall sense of pressure from the external environment is shaping up for Greek businesses. Here, the survey results become particularly interesting: the gradual easing of pressure from factors that had severely affected Greek entrepreneurship in previous years (such as high energy prices) appears to be offsetting the current uncertainty stemming from tariff

Broad pressure* of external environment on business operations (% SME segment)



*The external environment pressure includes the following factors: international uncertainty, energy costs, raw material costs, difficulty in finding personnel, and weak demand.

Πηγή: NBG SME survey

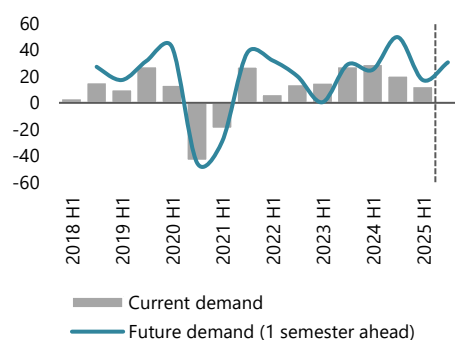
policies. As a result, only 23% of the segment reports experiencing broad pressure (from multiple external factors) on their business operations, down from 29% over the previous two-year period, indicating that businesses' resilience has strengthened. This assessment is further confirmed by historically low levels—around 10%—in the indicators that provide early warning signs regarding financial health: the share of the sector operating on the brink of survival and the share facing severe liquidity issues.

Driven by the recovery in demand, businesses are aiming for a positive 2025.

Relying on their strong resilience, SMEs remain optimistic about the future. Specifically:

- ✓ The Future Demand Index shows an upward momentum, reaching 31 points (up from 17 in the previous half-year), indicating optimism for a reversal of the downward trend of the past 1.5 years.

Demand conditions (Indices, -100 έως 100)



The index corresponds to the net balance of responses for decrease (-100), stability (0), and increase (+100).
Source: NBG SME survey

- ✓ The share of SMEs that consider weak demand to be a pressing problem has decreased to 32% of the segment (vs 41% over the previous two years), revealing that SMEs interpret the expected improvement in demand conditions as having structural characteristics.

In this context, Greek businesses are expected to maintain their growth momentum, with deflated sales increasing by 4% in 2025, compared to 3.6% in 2024—an outcome aligned with the general trend in the business sector. These expectations are conditional on the avoidance of escalation of geopolitical tensions (such as those centered in the Middle East). Otherwise, business expectations may be overturned—an outcome that, based on past experiences during periods of international volatility, cannot be ruled out. However, barring extreme disruptions, Greek entrepreneurship has demonstrated that, by capitalizing on the experiences of the past decade, it possesses the ability to successfully navigate complex and unstable environments.

The study can be found (in Greek) on the National Bank of Greece Group's website, under the section Studies and Economic Analyses (Category: Greek Entrepreneurship): <https://www.nbg.gr/el/omilos/meletes-oikonomikes-analuseis/reports/smes-2025-h1>

Athens, June 17 2025